

RurAL CAP

Rural Alaska Community Action
Program, Inc.

















2003
Annual Report

RurAL CAP



“working to protect and improve
the quality of life for
low-income Alaskans”

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and family members of Gambell
Design and Layout Janice Berry

RurAL CAP Overview

"making a positive difference in people's lives"

The Rural Alaska Community Action Program, Inc. (RurAL CAP) has been working to improve the quality of life for low-income Alaskans since 1965. RurAL CAP provides resources and services to enhance child and family development, improve housing, save energy, develop leadership, promote environmental conservation, prevent substance abuse, and foster independent living. Governed by a 24-member Board of Directors representing every region of the state, RurAL CAP is one of the largest and most diversified nonprofit organizations in Alaska.

Head Start and Early Head Start programs make up the biggest part of RurAL CAP services with more than 200 employees working in 26 communities across the state. Other services include weatherization projects, AmeriCorps and VISTA community service programs, Homeward Bound, child care, affordable housing, health and wellness activities, and public policy and advocacy. Overall RurAL CAP employs more than 500 Alaskans annually.

RurAL CAP uses an applied strategic planning process to continually reinvent itself through innovative services which improve economic, social and environmental conditions for low-income Alaskans. It is not enough to manage grants and run programs the way they have been run in the past. With a laser-like focus on measurable customer results, RurAL CAP employs a comprehensive outcome management system to track and document changes in conditions, behaviors and specific quality-of-life indicators of the people it serves.

The strength of RurAL CAP lies in its ability to listen and respond to the needs of low-income Alaskans. As it strives to maintain its reputation as a great human service organization, RurAL CAP follows the philosophy that community action is a *people* process, one which serves to reinforce the intangible values of personal responsibility, community self-reliance, participatory decision-making, and overall well-being.



Message from the Executive Director

I am pleased to present to you RurAL CAP's 2003 annual report. The Rural Alaska Community Action Program, Inc. is a private, statewide, nonprofit corporation working to improve the quality of life for low-income Alaskans.

This annual report provides us with an opportunity to share with you an account of our activities and results for the fiscal year period from October 1, 2002 through September 30, 2003. As you will discover, RurAL CAP has continued to innovate and grow in exciting new directions while maintaining core programs which produce measurable results.



With a record year in sales from our for-profit subsidiary, Rural Energy Enterprises, and continued increases in annual expenditures and total employees from our non-profit services, RurAL CAP has grown to become one of the most diverse and far reaching organizations in Alaska. During the 2003 fiscal year, RurAL CAP employed 611 different people in 68 communities.

Across the state, RurAL CAP is doing great things to improve the lives of low-income people in significant and measurable ways. From electrical energy savings to improvement in the health and education of young children, from substance abuse prevention to better housing and cleaner communities, the services offered by RurAL CAP are making a difference in the lives of thousands of our fellow Alaskans.

With leadership from a dynamic board and a productive staff, RurAL CAP continues to be a catalyst for community action and retain its place on the cutting edge of human service organizations in Alaska. We invite you to share in our accomplishments and we thank you for your support.

Sincerely,

Jeanine Kennedy
Executive Director

RurAL CAP

Mission Statement

“working together for
empowerment and
self-sufficiency”

Who we are:

RurAL CAP is one of more than 1,000 “Community Action Agencies” nationally. In Alaska, RurAL CAP is the only CAA. The Agency is a private nonprofit corporation whose goal is to promote maximum participation by village people in overcoming all forms of poverty.

What we do:

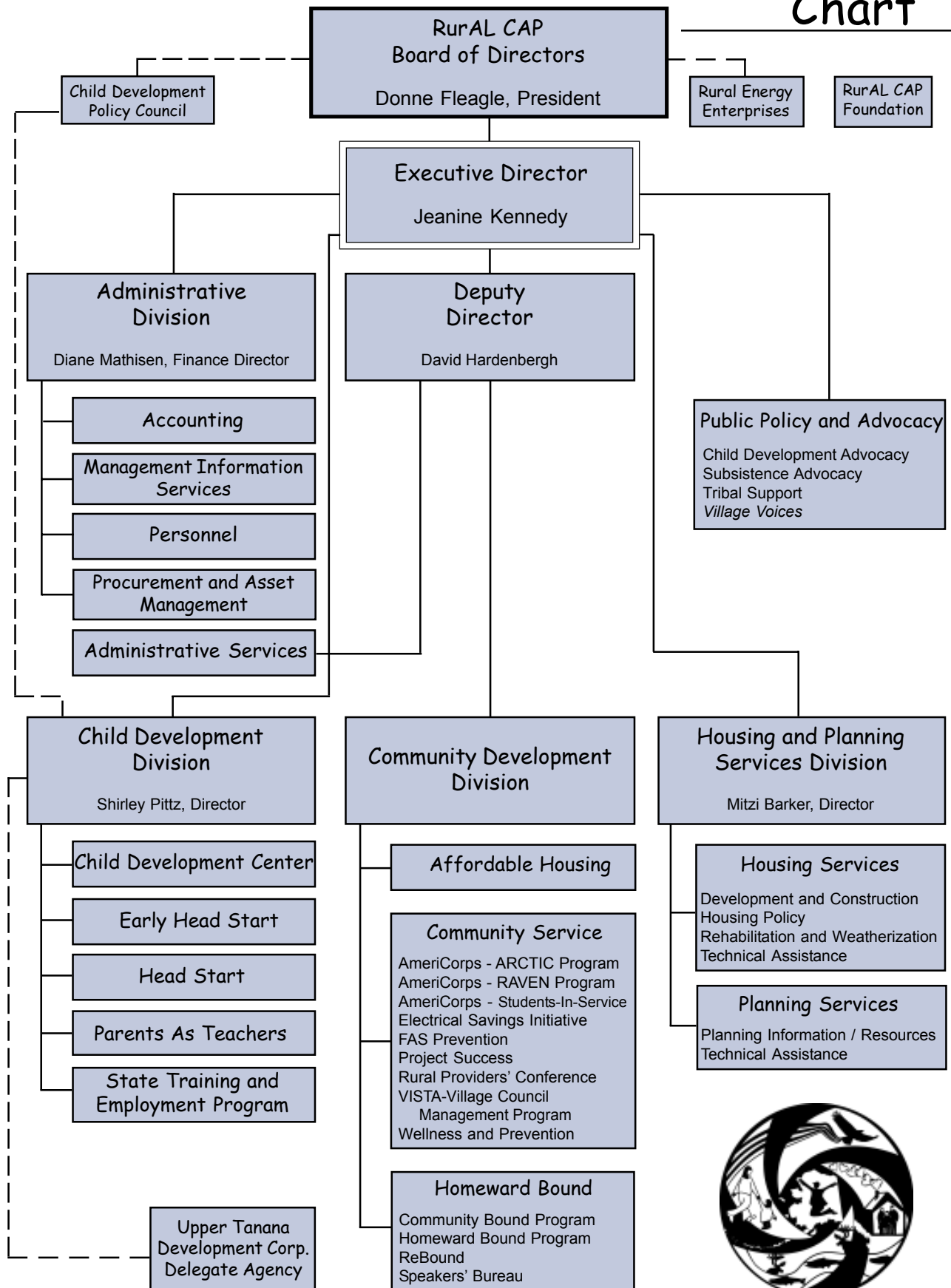
RurAL CAP encourages the efforts of low-income people attempting to break the cycle of dependency and gain control of the changes affecting their lives. Its mission is to protect and improve the quality of life for low-income Alaskans through education, training, direct services, decent and affordable housing, advocacy and strengthening the ability of low-income people to advocate for themselves.

Why we do it:

RurAL CAP recognizes the unique values and way of life of rural Alaskans. It plans its activities with input from and respect for the people it serves. It follows the belief that rural communities have the right to maintain their cultural heritage and close relationship to the land while protecting their economic and human potential.



Organizational Chart



RurAL CAP Board of Directors



Executive Committee

President	Donne Fleagle
Vice President	Ted Angasan
Secretary / Treasurer	Al Ketzler, Sr.
Committee Members	Sharon Chakuchin
	Annette Kreitzer
	Greg Roczicka

Target Area Directors

Alaska Native Brotherhood
Andrew Ebona

Aleutian/Pribilof Islands Association, Inc.
Mike Zacharof

Association of Village Council
Presidents, Inc.
Wassilie Bavilla

Bristol Bay Native Association
Ted Angasan

Child Development Policy Council
Sharon Chakuchin

Chugachmiut
Benna Hughey

Copper River Native Association
Robert Marshall

Gwitcha, Gwitch'in Ginkhye
Jonathon Solomon

Kawerak, Inc.

Stanton Katchatag
Kodiak Area Native Association
Alicia Reft
Maniilaq Association
Louie Commack, Jr.
Tanana Chiefs Conference
Al Ketzler, Sr.
Tlingit-Haida Central Council
Dewey Skan, Jr.

Private Sector Directors

Alaska Christian Conference
Rev. David Fison

Alaska Inter-Tribal Council
Mike Williams

Alaska Village Initiatives
Donne Fleagle

Public Directors

Akutan Traditional Council
Jennie Webster

Alaska Cooperative Extension
Peter Stortz

Alaska Governor's Office
Annette Kreitzer

Minto Village Council
Kenneth Charlie

North Slope Borough Mayor
Charles D.N. Brower

Northwest Arctic Borough
Reggie Cleveland

Orutsararmuit Native Council
Greg Roczicka

Message from the Board President

RurAL CAP has been incorporated for 38 years, and began with a budget of just a few thousand dollars, a small number of programs and few staff. RurAL CAP now has a budget of more than \$20 million, programs serving the entire state, and more than 350 regular employees. Reflecting back, it is easy to see achievement after achievement.

Head Start remains the largest financial and service resource in the agency. Our children and families should remain our priority. Our families represent our investment in bright futures and we cannot do enough in this field to give everyone the extra advantage and attention.

One of RurAL CAP's shining examples of thinking outside the box is reflected in the Homeward Bound Program, which serves the chronic homeless street alcoholic population in Anchorage.

The Housing and Planning Division, with support from Senator Ted Stevens and in partnership with HUD, AHFC and Bering Straits Regional Housing Authority, completed the first phase of a comprehensive housing rehabilitation project on Little Diomed Island. This project is an example of the "can-do" spirit that has led this proud organization.

Executive Director Jeanine Kennedy has been with the agency for close to 20 years and because of her unique vision, her dedication, her solid commitment, her excellent work ethic and her stewardship, the organization has flourished.

Our board members are a diverse group of individuals from all parts of the great State of Alaska and from all walks of life. Our 24 member board consists of eight from the public sector, three from the private sector and 13 from target areas. RurAL CAP is an important resource and a powerful asset, bringing positive changes to many communities.

RurAL CAP has always been fortunate to attract to itself phenomenal leaders and spectacular staff members. Due to this combination, you can rest assured that RurAL CAP will continue to be progressive and forward thinking, working with you in your rural communities for positive and uplifting change.



Donne Fleagle, President
Board of Directors





Child Development

Child Development Division

The Child Development Division provides services to children and families in 31 communities across Alaska. The programs administered by the division include Head Start, Early Head Start, a Child Development Center, Parents as Teachers. The programs are augmented by several key grants to assist with staff training to meet educational requirements. The Child Development Division is committed to providing quality services by a well-trained, professional staff. All division programs are designed to facilitate parent involvement and community collaboration.

Head Start / Early Head Start

Head Start and Early Head Start are comprehensive child development programs serving young children and their families. The Head Start program focuses on three and four-year-old children and their families; Early Head Start serves pre-natal to three-year-old children and their families. The program works to ensure children are healthy, thriving in all aspects development, and that parents understand the needs of their children and how to assist them in their health and development. It screens the



children in a variety of health and developmental areas, and works to obtain treatment for any problems identified.

RurAL CAP has provided Head Start programs

throughout the state since 1966. In 2003, RurAL CAP operated Head Start and Early Head Start programs directly in 25 communities throughout the State. Four additional communities are served through a contract with the Upper Tanana Development Corporation.

Head Start programs are designed to meet each child's individual needs and to reflect the language and cultural heritage of participating families. Two primary goals of the child development program are to enhance children's social competence, and to ensure their readiness for kindergarten.





2003 Program Year Highlights include:

- Expanded Early Head Start service to Hooper Bay.
- Implemented a Fatherhood Initiative grant to increase fathers' involvement in child literacy.
- Implemented a study group for Child Development Coordinators to learn about the Reggio Approach, a new approach to child development services.
- Provided staff training focused on children's social and emotional development.
- Constructed and moved into new facilities in Chevak, Hooper Bay, and Pilot Station. Construction was close to completion for a large new facility in Kwethluk, and a building for Marshall. An Open House was held in Napaskiak to celebrate a building addition for an indoor gross motor room.
- Three teachers earned AAS degrees in Early Childhood Education.
- Six family advocates and home visitors completed a year long Family Development class.
- Six Early Head Start staff were certified to use the PAT curriculum.



Child Development Center

In Anchorage, a Child Development Center provides full-day, year-round child care for families. It has an open enrollment policy with a sliding tuition scale to benefit low-income families. The center opened in 1995 and is licensed through the Municipality of Anchorage. It is currently licensed to care for 45 children between the ages of six weeks and six years old.

Highlights from 2003 include:

- Becoming re-accredited by the National Association for the Education of Young Children. Accreditation is awarded to programs providing high quality services.
- Expanding its partnership with the University of Alaska Anchorage's Early Childhood Development degree programs. The center serves as a lab school for students to observe children and as a practicum placement required for the degrees.
- Beginning a partnership with the Anchorage School District, serving as a placement for children with disabilities to have their special education needs met in a fully integrated setting.





Child Development

Parents as Teachers

Parents as Teachers (PAT) is an early childhood parent education and family support program designed to empower parents to give their children the best possible start in life. PAT serves 280 families in the communities of Alakanuk, Chevak, Emmonak, Haines, Hydaburg, Ketchikan, Kluti-Kaah, Kodiak, Marshall, Mountain Village, Noorvik, Savoonga and Toksook Bay.

In 2003, these programs:

- Conducted child screenings for hearing, vision, language skills and overall development to provide early detection of potential learning barriers.
- Provided information to parents about child development stages from birth to age five and suggested learning opportunities to encourage language and intellectual growth, physical development, and social skills.
- Coordinated personalized home visits by certified educators to offer practical tips on ways to encourage learning, manage challenging behavior, and promote strong parent child relationships.



- Offered services to parents and children over the summer by mailing out age and developmentally appropriate activities, material and information to all our families.

Staff Training

The Child Development Division has an ambitious program for educating and training Head Start staff. Head Start teachers work toward Associate of Applied Science (AAS) and Baccalaureate (BA) degrees in Early Childhood Education (ECE). Teacher Aides and Home Visitors work to attain a Child Development Associate (CDA) Credential. Home Visitors and Family Advocates attend a nine month Family Empowerment Training.

This level of education and training is made possible primarily through two State of Alaska grants, the State Training and Employment Program (STEP) Grant and the System for Early Education and Development (SEED) Grant.

The STEP Grant, awarded through the State of Alaska Department of Labor, provided RurAL CAP with funds for:

- 44 participants took about 320 credits through the University of Alaska.
- 16 staff attended CDA classes, intensive CDA training and six CDA Assessments.
- 28 staff to attend AAS classes through the University of Alaska.
- 10 Home Visitors and Family Advocates to attend Family Empowerment Training.

The SEED Grant, awarded through the State of Alaska Department of Education and Early Development, has provided RurAL CAP with funds for:

- Staff to take BA and AAS classes through the University of Alaska.
- Teachers to take an educational opportunity and attend AAS classes full-time.
- Computer and communications upgrade including a Starband system for our rural Head Start sites.







Community Development

Community Development Division

RurAL CAP's Community Development Division provides resources and support to low-income Alaskans in order to prevent substance abuse, enhance child development, improve housing, save energy, protect the environment, and achieve independent living. Rather than focusing on problems, the emphasis is on positive solutions that are culturally appropriate and achieve measurable results.

Affordable Housing

The Affordable Housing program provides decent, safe and affordable housing to graduates of the Homeward Bound program and other low-income Alaskans through rental units in Anchorage. Close attention to property management and building maintenance combined with below-market rental costs help keep these two-bedroom apartments fully occupied with tenants who pay their rent and take care of their units.



- ✦ In 2003, the Affordable Housing program received funding from the Rasmuson Foundation and a commitment from various union apprenticeship programs to make energy efficient and beautification improvements to all five RurAL CAP properties.

Community Service

The Community Service Department includes four “national service” AmeriCorps and VISTA programs as well as an electrical savings initiative, environmental education projects, and rural higher education support through Project Success. Wellness and substance abuse prevention activities include counseling and referral services, the Early Decisions fetal alcohol syndrome prevention project and the Rural Providers’ Conference.



AmeriCorps and VISTA Programs

With funding from the Corporation for National and Community Service through the Alaska State Community Service Commission, RurAL CAP supported AmeriCorps and VISTA members in more than 40 communities statewide in 2003 who chose to serve their communities and “get things done” to solve local problems with local solutions. More than 100 full and part-time AmeriCorps and VISTA members realized opportunities to both give something back to their communities and to get ahead in their own lives by serving in one of the following programs:





➤ Ten **ARCTIC** (*Addressing Rural Challenges Through Intergenerational Cooperation*) AmeriCorps members enhanced the effectiveness of rural Head Start and Early Head Start programs, taught youth leadership skills, and facilitated youth/elder mentor relationships.

➤ Twenty-five **RAVEN** (*Rural Alaska Village Environmental Network*) AmeriCorps members worked to improve environmental conditions through youth education, pollution prevention, community clean-ups, energy conservation, recycling and other solid waste management projects across rural Alaska.

➤ In collaboration between RurAL CAP and the University of Alaska, up to 80 part-time **Students-in-Service** AmeriCorps members per year perform national service activities while completing internships with a diverse array of social service and health organizations.

➤ Ten **Village Council Management Program** VISTA members and one VISTA Leader improved the administrative and management capacity of rural tribal and city councils by providing proposal writing, grant management, computer networking and computer training services.



Energy Conservation

The Electrical Savings Initiative (ESI) is a demonstration project designed to measurably reduce electric bills for rural, low-income Alaskans by combining energy-efficient products and technology with information and education.

The ESI project employs RAVEN AmeriCorps members and local residents as technicians to conduct home visits to rural energy assistance recipients. They replace inefficient lighting, heating and refrigeration equipment while also providing homeowners with “low cost or no cost” energy conservation education. Homeowners allow their electric bills to be tracked for a period of one year before and after installation of energy saving products to measure how much money they save.



(continued on page 16)

RurAL CAP Site Map



Communities served by Child Development

Akiak	Mountain Village
Alakanuk	Napaskiak
Anchorage	Noorvik
Chevak	Northway
Emmonak	Nunapitchuk
Haines	Pilot Station
Homer	Saint Mary's
Hooper Bay	Savoonga
Hydaburg	Selawik
Kake	Seward
Ketchikan	Stebbins
Kluti-Kaah	Sterling
Kodiak	Tanacross
Kwethluk	Tetlin
Marshall	Tok
Mentasta Lake	Toksook Bay



All Alaskan Communities are served by Public Policy and Advocacy



Communities served by Housing and Planning Services

Barrow	Juneau
Aniak	Kwethluk
Cordova	Little Diomed
Crooked Creek	Teller
Hooper Bay	



Communities with Regional Board Representation

Akiak	Klawock
Akutan	McGrath
Ambler	Minto
Anchorage	Palmer
Barrow	Quinhagak
Bethel	Shungnak
Fairbanks	South Naknek
Fort Yukon	St. Paul
Glennallen	Toksook Bay
Juneau	Unalakleet
Karluk	Valdez





Communities served by Community Development

Arctic Village	Koliganek
Akiak	Kwigillingok
Anaktuvuk Pass	Mt. Village
Bethel	McGrath
Bettles	Mekoryuk
Chevak	Nanwalek
Chickaloon	Newhalen
Craig	New Stuyahok
Crooked Creek	Newtok
Eagle	Nightmute
Eek	Nikolski
Ekwok	Noatak
Emmonak	Nondalton
Eyak/Cordova	Noorvik
Fort Yukon	Nunapitchuk
Gambell	Ouzinkie
Glenallen	Pilot Point
Haines	Pilot Station
Hooper Bay	Port Heiden
Huslia	Ruby
Hydaburg	Selawik
Kalskag	South Naknek
Ketchikan	Sterling
King Salmon	St. Mary's
Klukwan	St. Paul
Kodiak	Tenakee Springs
	Togiak
	Tok
	Tuntutuliak
	Twin Hills





Community Development

Wellness and Substance Abuse Prevention

RurAL CAP wellness and substance abuse prevention activities include counseling services to employees and their families, youth leadership development, fetal alcohol syndrome prevention, and coordination of the annual Rural Providers' Conference. Wellness activities from the past year include:



- ✦ In 2003, the wellness program debuted the highly-acclaimed video - *"The Final Score: Winning Against FAS."*
- ✦ The Early Decisions project was designed to prevent fetal alcohol syndrome by educating sexually active women of childbearing age about the risks of alcohol use after conception and prior to the time expectant mothers know they are pregnant.
- ✦ The 20th annual Rural Providers' Conference, a cornerstone of the Alaska Native Sobriety Movement, drew more than 400 registered participants to Seward for a week of workshops, speakers, ceremonies, talking circles and cultural events.
- ✦ The Alaskans Collaborating for Teens project promoted youth leadership and substance abuse prevention in coordination with the ARCTIC

AmeriCorps program by building mentor relationships between youth and elders and organizing "clean and sober" community events.

Homeward Bound Reintegration Programs

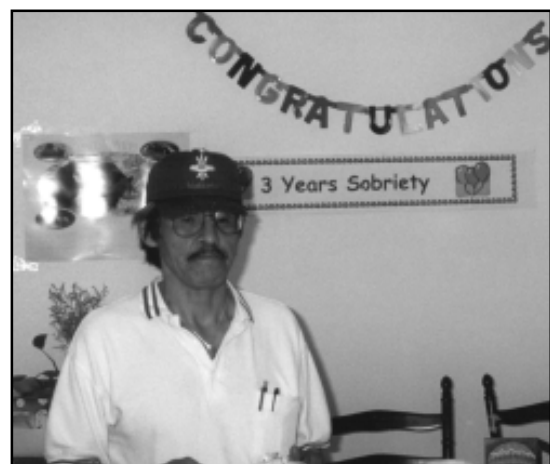
Homeward Bound, Community Bound, ReBound and the Speakers' Bureau are integrated programs which provide personalized case management, housing and employment services designed to assist chronic homeless alcoholics along the path to independent living.

Homeward Bound

Homeward Bound is a nationally acclaimed 25 bed transitional housing facility for chronic homeless alcoholics. Homeward Bound offers chronic homeless alcoholics the tools and resources needed to move from decades of homelessness to stable, meaningful and personally satisfying reintegration into the community. The foundations of Homeward Bound are:

- Success - Everyone will eventually succeed
- Education - Everything is a teaching opportunity
- Client Choice - Clients choose each step
- Self-Advocacy - Clients advocate for themselves
- Reintegration - Clients reintegrate into the community

The program participant profile at entry is: 12 years homeless, 29 years drinking, 50 years old and Alaska Native (88%). For the late stage homeless street



alcoholic, there are no options. Shunned by the communities in which they live, often permanently barred from social service programs as a result of poor judgment and threatening behavioral patterns, histories of extensive criminal activities, this population is the hardest to serve of all populations within the homeless and alcohol continuums. Few if any programs in our country will address this population. Homeward Bound has not only taken on the challenge of addressing this population, but has successfully shown that the population can become healthy and contributing members of their communities.

SINCE THE INCEPTION OF THE PROGRAM:

(unduplicated individuals since 1997)

167	entered the program
70	completed 12 months or longer
59 (84%)	graduated from the program after 12 months of participation

OF THE GRADUATES

40 (68%)	obtained and maintained housing for six months
33 (83%)	maintained housing for six months – five years

DEBT REPAYMENT

All debts repaid were previously considered unrecoverable (consisting primarily of child support and IRS). Debt forgiven is as a result of resident and Homeward Bound case management advocacy.

\$206,041	cash repaid
\$113,000	debt forgiven

TOTAL REPAID DEBT	\$319,041
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Program results and resident achievements will attest to the success of the Homeward Bound model.

Community Bound

Community Bound is a complementary component of Homeward Bound, focusing on employment and housing. All program participants receive an individualized employment training program, individualized money management strategy, rental



assistance (if needed), and up to 24 months of intensive case management follow-up services.

ReBound

Economic stability is the cornerstone of self-sufficiency. Without viable income options, people transitioning out of homelessness often experience difficulty succeeding. Recognizing this, Homeward Bound has begun the development of a social enterprise: ReBound. Through the creation of a new business integrating the employment skills and interests of its workforce with a marketable service, ReBound will provide the chronically unemployed with work opportunities and the skills necessary to become self-sufficient. To this end, ReBound will offer flexible work schedules designed to accommodate medical challenges/disability, creative transportation solutions and intervention strategies designed to address employee personal and professional growth. Ultimately, ReBound will engage an untapped workforce and provide the chronically unemployed with the opportunity to become contributing members of the community.

Speakers' Bureau

The lack of community knowledge and understanding of those experiencing chronic homelessness and chronic alcoholism creates a one-dimensional image of this population. Homeward Bound residents along with staff, educate audiences around the community on issues pertaining to their experiences. In 2003, 60 presentations were given by residents throughout the Anchorage community, reaching 600 people, and reducing stigma and shattering existing myths.



Housing and Planning Services

Housing and Planning Services Division

The Housing and Planning Services Division assists rural communities and low-income people by working to increase affordable housing opportunities, providing technical services to villages, facilitating community-based planning, preserving and improving existing housing and building the capacity of rural communities to participate effectively in the development of housing and related infrastructure.

Housing Services

Housing services are provided to rural communities and low-income people through development and construction, housing advocacy, rehabilitation and weatherization.

Development and Construction

Affordable housing development is a complex process requiring expertise that is generally not available in rural Alaskan communities. RurAL CAP staff assists with projects through a diversified and flexible set of development services. From property acquisition through financing, construction and rehabilitation, RurAL CAP has experience in the entire process.

The Housing and Planning Services Division worked closely with the Child Development Division early 2003 to finish the construction of the new Head Start facilities in Chevak, and Pilot Station. During the summer and fall the new Marshall Head Start facility was built.

"The supervisor and the workers are extremely professional, polite, and efficient. I can't tell you how much I appreciate not only the work that was done, [in a] pleasant professional manner in which it was done. Thank you!"

Juneau Weatherization Client

Construction of Marshall Head Start



On Little Diomed Island 13 homes received weatherization services in 2003....





Housing and Planning Services

Rehabilitation and Weatherization

During 2003, RurAL CAP provided weatherization and rehabilitation services to 128 homes across the state. These families included 440 people of which 24 were elderly, 20 disabled and 85 children five years old and younger. The average income for these 128 families was \$24,099.

Funding for weatherization services in 2003 came from the U.S. Department of Energy, the U.S. Department of Agriculture, the U.S. Department of Health & Human Services U.S. Department of Housing and Urban Development, the Alaska Housing Finance Corporation, Bering Straights Regional Housing Authority, Kwethluk Tribal Resident Council, Inc. and Native Village of Diomede.

With funding from HUD and AHFC, RurAL CAP partnered with Bering Straights Regional Housing Authority and the Native Village of Diomede for the first phase of a comprehensive housing rehabilitation project on Little Diomede Island. More than \$600,000 was used to improve 13 homes on the island. In addition to typical weatherization

measures, the homes had improvements to the foundation, electrical, flooring and other components. A second phase is planned for the summer of 2004 season.

RurAL CAP partnered with Kwethluk Tribal Resident Council, Inc. (KTRC) to improve seven homes in Kwethluk. The work included typical weatherization, arctic entries, flooring and other components. RurAL CAP obtained Housing Preservation and Match grants from USDA and AHFC to purchase most of the materials and freight, provide an on-site supervisor and coordinate the project. KTRC used NAHASDA funds to pay the local labor force, purchase tools and materials, and other related project costs.

RurAL CAP received funding through AHFC for an Indoor Air Quality demonstration project aimed at improving general living conditions and alleviating circumstances that trigger asthma attacks in children. Ten homes in Hooper Bay participated and received improvements designed to help control dust, moisture, mold, and mildew.

Communities that received weatherization services in 2003 included:

Aniak	1 home
Crooked Creek	10 homes
Diomede	13 homes
Hooper Bay	19 homes
Juneau	45 homes
Juneau HOME	7 homes
Kwethluk	7 homes
Teller	26 homes



Weatherization Works!

Energy Savings

- Saves 31% in average energy costs
- Cuts heating bills by 50% or more
- Reduces the need for other public funds
- Allows working poor families to save money

Housing Improvements

- Increases insulation
- Decreases air leakage
- Adds efficient heaters
- Extends structure life

Health Benefits

- Improves indoor air quality
- Lowers carbon monoxide levels
- Controls moisture and mold
- Eliminates drafts and cold spots

Fire Safety

- Installs smoke detectors
- Fixes unsafe chimneys
- Installs proper egress windows
- Repairs or replaces unsafe furnaces

Environmental Improvements

- Reduces combustion emissions
- Decreases heating fuel consumption
- Reduces electrical consumption

Community Benefits

- Purchases materials from local vendors
- Provides jobs and training for local workers
- Improves supply of safe, affordable housing
- Increase awareness of energy efficiency



Planning Services

RurAL CAP is a full partner with the Denali Commission, Alaska Department of Community and Economic Development, USDA-Rural Development, and the U.S. Department of Housing & Urban Development in the Building Our Communities program. The program consists of a series of regional Funding Summits where regional non-profit, state and federal funding agencies, and community and regional representatives come together to discuss community priority projects in a particular region, and a biennial statewide Building Our Communities workshop. In 2003, RurAL CAP provided training on community planning basics, leveraged funding, and project management in conjunction with Funding Summits in Barrow, Cordova, and Juneau.

RurAL CAP also participates in a Planning Roundtable hosted by the Denali Commission, promoting the needs and interests of rural communities, tribes, and low-income people.

In 2003, RurAL CAP facilitated seven community planning meetings in the Copper River Basin, an area in which there is no organized municipal or borough government. These meetings, conducted in partnership with the Copper Valley Economic Development Council, provided the foundation of a regional economic development strategy. Such plans are becoming increasingly important as state and federal agencies are placing a high value on community planning as a prerequisite to receiving funding for most capital projects.

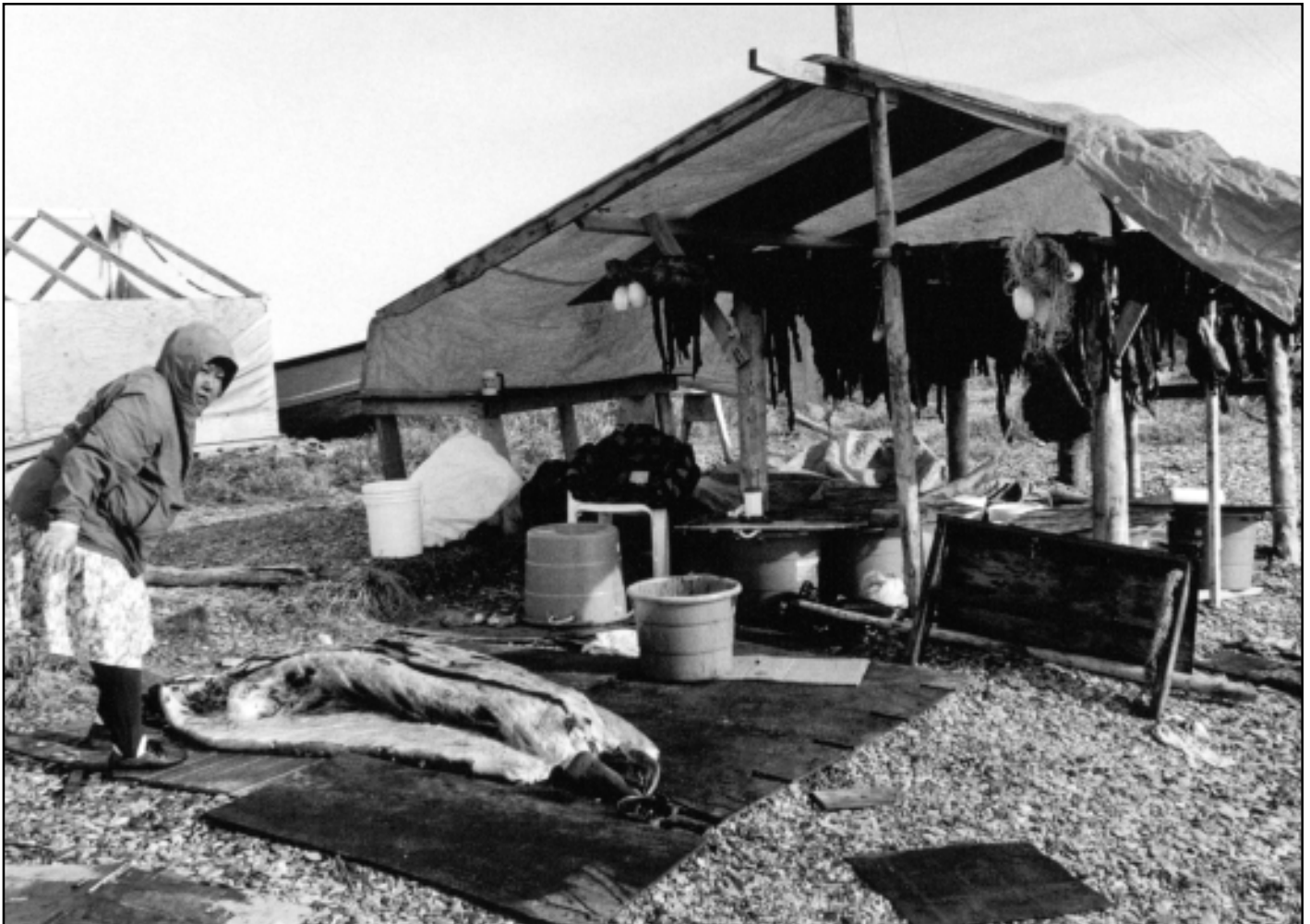


Public Policy and Advocacy

Public Policy and Advocacy

RurAL CAP serves low-income, working poor and homeless Alaskans who want the ability to influence public policy in areas that most directly affect their lives. RurAL CAP has a long history of advocacy because it benefits all members of society when low-income people are empowered through participation in social, economic and environmental decisions.

The Public Policy and Advocacy program focuses on protecting and enhancing subsistence rights, supporting tribal government, advocating for children, families and early childhood development, and reporting on major issues affecting rural communities.





Accomplishments in 2003

- RurAL CAP supported the Alaska Native Subsistence Halibut Working Group (ANSHWG) to achieve “subsistence status” for halibut taking from the North Pacific Fishery Management Council (NPFMC). In January 2003 victory was achieved. ANSHWG worked with NOAA and the NPFMC to develop regulations input and participation by the Halibut Working Group Members. RurAL CAP supported the ANSHWG as it prepared for a round of meetings in October 2003, which coincided with the North Pacific Fishery Management Council.
- During 2003, four issues of the *Village Voices* newspaper were produced and distributed to thousands of rural Alaskans statewide. This newspaper provides a unique perspective to subsistence and tribal government issues of interest to rural Alaskans.





Rural Energy Enterprises



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info@rural-energy.com

Rural Energy Enterprises (R.E.E.), a wholly-owned subsidiary of RurAL CAP, is a wholesale distributor of energy-efficient and money-saving products. R.E.E. began in 1987 to provide RurAL CAP with a non-grant source of income and to offer rural residents energy-saving devices.

Energy costs represent a major expense for rural Alaskans. R.E.E. reduces those costs through a variety of high-quality, advanced-technology energy products. The Toyostove space heater, one of the most fuel-efficient heating systems in the world, can save rural residents \$300 to \$500 per year in fuel costs, depending on the condition of the house. R.E.E. also offers energy-saving oil and gas water heaters and a variety of other heating and lighting products.

R.E.E. benefits rural communities by creating economic opportunities in remote villages. R.E.E. maintains business relationships with more than 200 small entrepreneur dealerships in rural Alaska, western Canada, and the northwest United States. During fiscal year 2003, R.E.E. continued to expand its range of useful, energy-saving products. Please visit www.rural-energy.com for more information.

2003 Fiscal Year Performance:

Gross Sales - \$ 5,143,709

Net Profit - \$ 299,282





www.rural-energy.com

Rural Energy Enterprises, Inc. (R.E.E.) distributes Toyostove, NordicStove, Drolet, Godin, Kuma, Rinnai, Nestor Martin, Tirino, EcoTherm, Aquastar, and Toyotomi products. We specialize in oil and gas fired direct vent or sealed combustion high efficiency heaters as well as water heaters, gas cook stoves, marine heaters, marine cook stoves, tent heaters, and tent stoves.

R.E.E. is the exclusive distributor of Toyostove heaters in Alaska, Idaho, North Dakota, Montana, South Dakota, Wyoming, Washington, British Columbia, the Yukon Territories and the Northwest Territories. We also offer selected Toyostove/Toyotomi products in Arizona, Colorado, New Mexico, and Utah.

R.E.E. is also the exclusive North American importer/distributor of NordicStove non-electric oil burning heaters for tents, cabins, boats, homes, and emergency use.

- R.E.E. has sold \$51 million of products since 1987.
- RurAL CAP has more than \$2.9 million in equity in R.E.E.
- 78% of total sales are from Alaska.

R.E.E. Management Team

Conrad Zipperian, General Manager & CEO

Mark Callinsky, Sales Manager

Jill Trozelle, Controller

R.E.E. Board of Directors

Stewart Barnes

Geoff Feiler

Glenn Fredericks

David Hardenbergh

Phil Kaluza

Bob Lohr

Virginia Moore

Fiscal Year 2003 Financial Summary

Source of Funds	Award	Expenditures	Source of Funds	Award	Expenditures
US Department of Health & Human Services			Alaska Department of Labor & Work Force		
Child Care Programs (Head Start/Early Head Start)	\$10,635,001	\$9,688,826	STEP Program FY 03	79,460	79,460
US Environmental Protection Agency			STEP Program FY04	127,396	4,926
Environmental education material development	100,000	56,638	Alaska Department of Education & Early Development		
RAVEN AmeriCorps	365,673	168,525	<i>Direct Funding</i>		
US Department Education			Child Care Programs (Head Start) FY 03	1,355,017	1,163,522
Parents as Teachers	683,221	483,894	Child Care Programs (Head Start) FY 04	2,311,172	440,395
<i>Passed Through University of Alaska - Anchorage</i>			<i>Passed through from US Department of Education</i>		
UAA Project Success	75,000	18,766	SEED	75,408	46,167
Education for Head Start Teachers FY03	68,393	59,511	<i>Passed through from US Department of Health & Human Services</i>		
US Corporation for National Service			Child Care Programs (Head Start) FY 03	1,135,906	1,005,211
VISTA In-Service Training	14,000	9,022	<i>Passed through from US Department of Agriculture</i>		
US Department of Agriculture			Child Care Food Reimbursement Program	250,476	250,476
Farmer's Home Administration Housing Preservation Grant	50,000	57,177	<i>Passed through from US Corporation for National & Community Service</i>		
US Department of Housing & Urban Development			AmeriCorps/RAAP Program FY 03	498,750	88,980
Supportive Housing - Homeward Bound	704,388	375,738	AmeriCorps/RAAP Program FY 04	490,000	320,218
Supportive Housing - Community Bound	566,174	196,101	AmeriCorps Students-in-Service FY 04	8,000	9,045
Little Diomedea Rehab	400,000	8,861	Alaska Department of Health & Social Services		
<i>Passed through from Cook Inlet Housing Authority</i>			<i>Passed through from US Department of Health & Human Services</i>		
Homeward Bound Match FY 03	250,000	92,925	FAS Prevention FY 03	50,000	39,281
Homeward Bound Match FY 04	200,000	185,919	FAS Prevention FY 04	50,000	9,429
<i>Passed through Alaska Native Association</i>			REACH Energy Conservation Initiative FY 03	669,209	589,741
Fee for Service - NAHASDA IBHG Funding	6,182	5,551	REACH Energy Conservation Initiative FY 04	208,203	49,651
<i>Passed through Enterprise Foundation</i>			Rural Providers' Conference	25,000	25,000
Rural Capacity Building	20,000	1,193	<i>Passed through from US Corporation for National and Community Service</i>		
Rural LISC Capacity Building	25,000	16,630	ACT Community Services	75,000	74,747
<i>Passed through University of Alaska-Anchorage</i>			Alaska Housing Finance Corporation		
Little Diomedea/BSRHA Housing Rehab	500,000	226,846	<i>Direct Funding</i>		
Alaska Department of Community & Economic Development			Low Income WX Assistance Program	707,749	204,050
<i>Passed through from US Department of HHS</i>			Rural Residential Energy Rehab-WX	3,021,920	986,732
Community Services Block Grant FY 03	\$2,375,812	\$1,274,977	<i>Passed through from US Department of Health & Human Services</i>		
Community Services Block Grant FY 04	2,362,022	981,974	Rural Residential Energy Rehab-WX	854,415	184,667
			<i>Passed through from US Department of Energy</i>		
			Low Income WX Assistance Program	207,340	67,840



**2003 Fiscal Year
(10/1/02 - 9/30/03)**

Source of Funds

Award Expenditures

<i>Passed through from US Department of Housing & Urban Development</i>		
Health Homes - Hooper Bay	171,167	5,338
Homeowner Occupied		
Rehab Project FY 02-03	578,488	68,992
Supportive Housing Project Match	155,150	79,760
<i>Passed through from US Department of Agriculture</i>		
Home Preservation - Match	50,000	607
Private Sources		
Reading is Fundamental Program		1,393
Kodiak Borough (Head Start)	7,400	9,527
Community Support & Donations for Head Start		5,160
Rasmuson Foundation-Starband	25,000	9,852
Rasmuson Foundation-Marshall Head Start Building	346,000	313,881
UAA (Project Northern Lights)	256,893	42,327
Various-Tribal Leaders' Funding	7,500	7,403
AK Native Fish, Wildlife & Environment Summit donations		21,894
Alaska Conservation Foundation	20,000	3,555
Supportive Housing Community Support		294
Child Care Center Fees/Contracts	277,912	277,912
Affordable Housing Program		164,834
Rural Alaska Model Mortgage Project	25,000	10,473
Total Non-Profit Expenditures		\$20,571,814
TOTAL EXPENDITURES		\$25,459,230

Including \$4,887,416 for the for-profit subsidiary, Rural Energy Enterprises

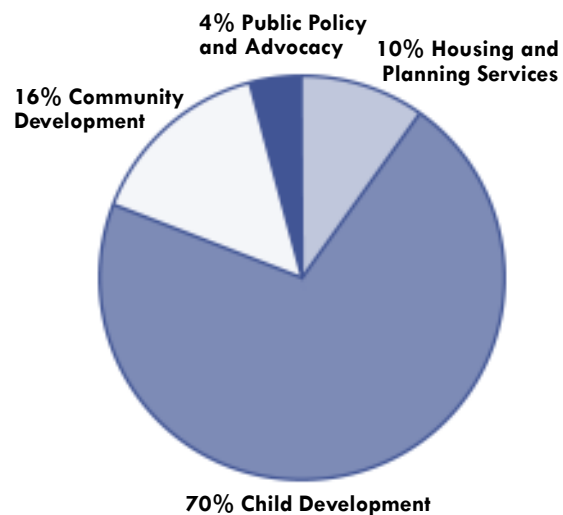
RurAL CAP's federally approved indirect rate of 14.8% of direct costs covers all administrative expenses such as those for the Executive, Personnel, Accounting, Management Information Systems and Purchasing staff, Corporate Insurance, Annual Audit and Board.

AGENCY ALLOCATIONS

AGENCY ALLOCATIONS	Expenditures	Percentage
Affordable Housing	\$164,834	0.80%
Child Care Center	619,042	3.01%
Child Development Programs	13,808,544	67.12%
Community Service Programs	2,046,819	9.95%
Core Capacity Funds	281,249	1.37%
Homeward Bound	1,054,306	5.13%
Housing and Planning Services	317,028	1.54%
Public Policy and Advocacy	463,331	2.25%
Weatherization Program	1,816,661	8.83%

2003 FISCAL YEAR TOTAL	\$20,571,814	100.00%
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Agency Allocations



Child Development	70%
Community Development	16%
Housing and Planning Services	10%
Public Policy and Advocacy	4%
	100%

Thank You to the Following Funders and Partners

Alaska Community Share

Alaska Conservation Foundation

Alaska Department of Community and Economic Development

Alaska Department of Education and Early Development

Alaska Department of Health and Social Services

Alaska Department of Labor and Workforce Development

Alaska Division of Alcoholism and Drug Abuse

Alaska Federation of Natives

Alaska Housing Finance Corporation

Alaska Mental Health Trust Authority

Alaska State Community Service Commission

Bering Straits Regional Housing Authority

Cook Inlet Housing Authority

Cook Inlet Tribal Council

Denali Commission

Enterprise Foundation

Fannie Mae Foundation

First Alaskans Foundation

First National Bank Alaska

Kodiak Island Borough

Lower Yukon School District

National Marine Fisheries Service

Norton Sound Health Corporation

Rasmuson Foundation

Rural LISC (Local Initiatives Support Corporation)

State Training and Employment Program

University of Alaska

US Bureau of Indian Affairs

US Corporation for National and Community Service

US Department of Agriculture - Rural Development

US Department of Education

US Department of Health and Human Services

US Department of Commerce

US Department of Housing and Urban Development

US Environmental Protection Agency

US Fish and Wildlife Service

Wells Fargo Bank







RurAL CAP

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David Hardenbergh, Executive Director

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